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WESTERN UNION

The Political Aspect *by* Denis Healey

The Economic Aspect *by* G. D. H. Cole

The Imperial Aspect *by* Rita Hinden

Book Reviews

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FOREWORD

Ever since Mr. Bevin's speech in the House of Commons on 22nd January, 1948, Western Union has been on everybody's lips. The idea, long since conceived in the minds of a few idealists, suddenly leapt into public prominence in many nations. Somewhat naturally, the idea outgrew its own strength : its great emotional attraction obscured the many real difficulties involved. The Hague Conference was the apotheosis of this phenomenal growth of an idea, and characteristically that conference sacrificed any clarity of thought or definition to the emotional idea of unity. Unity they achieved, thanks to Mr. Churchill's oratory, but unity for what purpose is not clear. The logical French set the cat among the pigeons by attempting to pin down the political resolution to the brass tacks of Federalism.

The task still remains therefore of examining rationally all the implications of Western Union. A welter of words has been written and spoken on this subject. But we make no apology for adding to this welter by devoting a complete number of the *Fabian Quarterly* to Western Union. For it is vitally important that socialists should examine it in all its aspects. It is not easy to divide one aspect from another : the aspects we have chosen—the political, the economic and the imperial—are inextricably interwoven. Each article therefore has a direct bearing on the other two, and they should all be read in conjunction. As a result, this number of the *Quarterly* is more of a pamphlet than a periodical, and we hope that it will be treated as such. Our authors—Denis Healey, G. D. H. Cole and Rita Hinden—need no introduction to Fabians.

THE EDITOR

WESTERN UNION

—THE POLITICAL ASPECT

by Denis He

The idea of a European Union has always exercised great em power, and now that the Marshall Plan seems to put such a Union our grasp, a haze of comfortable idealism has confused much t on the subject. Socialists who recoil automatically from the sug that Britain should become the Forty-ninth State in the American treat diffidence about becoming the Sixteenth State in a European as self-evident heresy. In its ignorant enthusiasm for the general pu public opinion has fastened on certain familiar ideas and a exaggerated their relevance. For example, though at the momen scarcely influence the flow of intra-European trade, which is mainly by payments' difficulties and by government planning of i the most popular laxative is a Customs Union. Middle-class intel urge a reduction in the British bread ration to help our con neighbours, though France is sowing twenty per cent less whe before the war. Supporters of federalism denounce the wicked unlimited national sovereignty as if the nations of Europe had not restricted their freedom by innumerable agreements to coordina activities. This welter of passionate ignorance may have di results unless Socialists analyse the problems of European U all their real complexity with a clear conception of the purpose such a Union is intended to serve. Whatever general reasons th be for preferring international to national action, there are no grounds for desiring any European Union irrespective of its ch After all, Hitler came nearer to integrating the economies of in his New Order than democratic governments can hope to a similar space of time.

There are two main problems which the free nations of have in common and which their growing cooperation is inte solve. The first is the inability of most of the European countrie for the supplies they need from the dollar area ; even if all th optimistic assumptions made by the Paris Committee last year are when Marshall aid ends Western Europe will be able to pay two thirds of her dollar needs. Yet a failure to bridge the do will compel each country to choose between a catastrophic fa standard of life and the associated political and social upheav seeking further American aid at any price which is demanded. certain countries, notably Switzerland and Sweden, might be solve their dollar problem unilaterally, each country recogni serious disorder among its neighbours would probably infect

The second problem lies in the danger that weakness in Europe may encourage direct or indirect aggression by the Soviet

here too, though certain of the nations in Western Europe feel reasonably secure against immediate attack, in varying degrees they all recognise a common interest in preventing Russian power from extending further West ; in particular America's direct concern that the European shores of the Atlantic should remain in friendly hands makes it probable that war anywhere in Europe would quickly become a world war. If they can produce between them a unified security system, the nations of Europe believe that they will reduce at once the dangers both of Russian aggression and of new American counter-measures which might be unwelcome.

In fact the nations of Western Europe have already admitted that they can only solve the central problems of their economic and foreign policy by united action, that they stand or fall together. But for this very reason, the nations of Europe will judge any measures of cooperation suggested to them by their relevance to these central problems—the bridging of the dollar gap and security against Soviet aggression. No form of Western Union which fails to solve these problems can hope to survive. And to these two criteria Socialists would add a third ; no form of Union should be supported which jeopardizes the success of existing socialist governments or which discourages the development of democratic socialism elsewhere.

Having agreed on the purposes which European Union must serve, we must next consider the machinery which already exists to further European cooperation, and the differing national attitudes which have determined the present form of that machinery.

The Economic Commission for Europe at Geneva expresses the common interest in economic cooperation which is shared by countries on both sides of the Stettin-Trieste line. But since Russia is fast integrating Eastern Europe into her own Eurasian strategic and economic system, E C E has been unable to do much more than to collect and analyse information, to suggest action, and to continue the allocation of certain scarce commodities like coal, which had previously been distributed through the Special Agencies.

The European Recovery Programme expresses the common economic and political interests of Western Europe, particularly in relation to American aid. But the approach to cooperation varies greatly from country to country. Switzerland and the small, stable social democracies of Scandinavia hang back from commitments which might put them at the mercy of social and economic fluctuations in unhealthy *laissez-faire* communities like France and Italy ; strong adults have a duty to the ailing but one does not leave a healthy baby in a sickroom. Moreover these small countries near the periphery of Western Europe are unwilling to take sides in the strategic field ; the present prosperity of Sweden and Switzerland is largely due to their successful neutrality through two world wars. Spain, Portugal, Greece and Turkey can not easily participate in a union based on the values of liberal democracy. Italy is handicapped by her ex-enemy status ; though the peace treaty prevents her from sharing the defence burden according to her available manpower, her utter dependence on imported raw materials gives her an exceptional interest in the pooling of European resources. Germany, with the greatest

industrial potential in Western Europe, is not yet free to decide her own policies, and her allied guardians cannot agree on a policy for her. In fact, only the Benelux countries, Belgium, Holland and Luxembourg, have shown great enthusiasm for a supra-national authority.

This confusion of attitudes is recognised in the form taken by the Organisation for European Economic Cooperation set up under E R P. The supreme Council contains all sixteen nations under a Chairman elected annually—at present the Belgian M. Spaak. The Executive Committee of seven is open to non-members who may be interested in the subject under discussion. The permanent secretariat under a French Secretary-General is empowered only to prepare agenda and submit proposals. But any number of technical committees may be set up by the Council to cover special fields for cooperation. Though the powers of O E E C depend on mutual agreement, abstention may not prevent decision, and it seems that no government will be able to veto joint action by others on a matter where its own participation is not required.

Within the general community of interest expressed in E R P, Britain, France, Belgium, Holland and Luxembourg have recognised a closer common interest extending also to the strategic field. The Five Power Treaty of Brussels has set up permanent organs, including a military committee in London ; and greater cooperation in the economic, social and cultural fields is already being pursued. The Brussels Treaty assumes general agreement on all matters of policy, internal or external, which directly affect Europe, but divergencies on Asiatic policy are not excluded.

A full description of the forces influencing the development of European unity must include the attitude of some countries outside Europe. The U S A is pressing for the fastest and widest extension of cooperation between the E R P countries, in order to create a new power unit which will be economically viable and strategically secure against Russian aggression. This pressure will be exercised not only through the usual channels, but also through the American Administrator of E R P, Mr. Paul Hoffman, and his European representative, Mr. Harriman. For the opposite reasons, Russia will, as Zhdanov said last September, "bend every effort in order that this plan be doomed to failure". The main instruments of this Russian policy will be direct pressure on the more exposed members of E R P, economic sabotage by Communist parties everywhere, and a propaganda campaign for national sovereignty. Whether at any point Russia would deliberately restrict trade in food and timber from Eastern to Western Europe is doubtful, but by no means impossible.

Finally, Britain must consider the views of other members of the Commonwealth. Canada would welcome any measures which strengthened the North Atlantic Community and associated France more closely with the Commonwealth. South Africa would be only a little less enthusiastic, providing European Union did not weaken the Middle East and Mediterranean, or conflict greatly with her African policies. Australia and New Zealand are suspicious of anything which diverts British attention from the Pacific. India, Pakistan and Ceylon have no major interest affected. In the economic field there

is no reason why Imperial Preferences should not be protected in any new tariff agreements between Britain and the Continent, though the tendency for sterling to become a hard currency within Europe may suggest policies for which Dominion agreement is essential. On the other hand the possibility of basing permanent relations between Europe and the Commonwealth on Europe's need for products like grain, meat and wool, and the Commonwealth's need for men and capital goods, may appeal particularly to the Labour Governments in the Dominions. Indeed, Australia and New Zealand could benefit as much from economic association with a Western Union as Canada and South Africa from strategic association.

The existing machinery for European cooperation and the different national attitudes which have determined its form constitute a framework of fact to which any new proposals must be adaptable. So far, two distinct approaches to the problem of European Union have been evident —the federalist and the functional.

The federalists argue that the vested interests threatened by any particular proposal for increased cooperation will slow down progress below the critical speed ; the real community of interest among the European states is not sufficiently apparent if each problem is treated separately ; but nations which strain at a million gnats may swallow one camel, and limit their individual sovereignty within a federal union. Whatever merit this argument may have in general, it is difficult to maintain its relevance in the present situation. The dollar problem and the danger of war demand immediate action. Any attempt to discuss federation now would raise countless general issues unconnected with the really urgent problems, and precious months or years would be wasted in arguments that were purely academic.

Moreover there is a strong general case to be made out against federation as a reactionary and archaic expedient in a world where the state is daily assuming greater powers. The transfer of certain powers from national states to a federal government would have to be embodied formally in a written constitution. Constitutions are always restrictive and limited in character ; and the separate states would jealously protect their remaining powers by explicitly limiting the competence of the federal government with a series of general vetoes. Thus real opportunities for common action might easily be forgone for fear of creating a dangerous precedent. The tendency for international constitution-making to restrict international action is only too apparent in the Charter of the United Nations. Moreover any federal constitution would contain efficient safeguards against casual amendment ; President Roosevelt's greatest failure arose from his attempt to change the powers of the Supreme Court. In the second place the countries of Western Europe differ widely in race, language, temperament, political constitutions, and economic organisation. Socialists are in a small minority in the area as a whole. Imagination reels at the attempt to conceive a constitution which would reconcile monarchy with republic, multi-party proportional representation with the British two-party system. Finally, when clearly defined interest-groups do exist, no written constitution can compel them to act contrary

to their deeply-felt interests ; more than most federal governments, a European federation would require forcible sanctions against secession, and the prolonged and bloody American Civil War is not an encouraging precedent.

In fact a European Union will depend on a joint solution of the many issues contained in the two central problems already mentioned. The techniques by which the economic problem is best approached are discussed elsewhere. But it is necessary to stress once more that if an independent European Union is the aim, everything must be subordinated to the bridging of the dollar gap, with all that involves in changing patterns of trade, production and consumption. There is already ample evidence to show that the issues here contained can be dealt with one by one by joint action within a general plan providing they are clearly understood. And the first duty of Socialists should be to direct public attention firmly to these urgent economic issues, away from the constitutional fantasies of federalism.

Foreign policy is the other field where joint action is both possible and necessary. Agreement on foreign policy is a *sine qua non* of any European Union ; and to the extent that agreement is already possible a great saving in manpower and material would ensue from a common defence policy. This is not the place to discuss the size or armament of a European defence force ; but the fall of Czechoslovakia exposes the futility of the argument that if Western Europe declared her peaceful intentions she would need no force at all. A common defence policy would result both in an immense economic saving and in a major commitment to permanent union. It would be possible to distribute the burden of arms production and to divide the military functions in the most efficient way—certain nations specialising in land-forces and others in naval or air forces. Standardisation of equipment would enable mass-production techniques to be used in peacetime. And many collateral benefits would follow ; for example, the French objection to rationalisation of tractor-production between France and Britain would fall if France felt it no longer necessary to maintain her own shadow-factories for time of war.

The major problem which arises in this field is the relation between the U S A and European defence. It is clear that the E R P countries could not produce and equip forces adequate for their own defence against Russia without wrecking their plans for economic recovery. Some part of the defence burden must be borne directly or indirectly by America—either in troops, or in arms production, or in additional aid to offset the loss in production caused by an independent European defence programme.

As far as Britain is concerned it can be assumed that she could never afford to fight against America and that she could not defeat a direct Russian attack without American help. There is thus no disadvantage in a strategic relation between Britain and the U S A which deprived Britain of the ability to fight without American agreement. If this is accepted, the best British policy would be to allow America to produce the bulk of her arms, so that her own industrial machine was not

unbalanced by producing goods that are only useful in war. After her experience of wartime Lease Lend, through which she was able to divert a dangerous proportion of her economic effort to arms-production, Britain might well prefer an arrangement which did not overstrain her peacetime economy. This general relation would probably suit all the countries of Western Europe so long as Russia had no Atlantic submarine bases. And it would have the additional advantage that American aid under the Recovery Programme and under strategic agreements could be treated separately.

No-one can feel enthusiastic about the necessity for discussing such military problems so soon after the end of the Second World War. But if national defence forces are considered necessary, there is every reason for reducing the burden they impose, by international cooperation ; and it is well to bear in mind that if the peace loving nations of Western Europe cannot soon produce an effective defence system among themselves, the temptation to arm Europe's only great concentration of surplus manpower in Germany and Italy will grow as the last war recedes.

In any case, collective defence measures are already being discussed under the Brussels Treaty, which provides the nucleus for a common West-European Foreign Policy. If collective economic planning is pursued through the O E E C , and a common foreign policy is elaborated through an expanding Brussels Treaty, there is a chance of solving the main problems on whose solution any European Union would depend. And in the course of joint action on all the issues which arise in these spheres, a powerful network of lasting common interests will emerge. The material framework for a completer Union will then exist, and many of the suspicions and prejudices which obstruct cooperation today will have vanished in the experience of successful teamwork. It is possible that in the course of this activity problems may arise which are best dealt with by formal limitations of national sovereignty ; but it is most unlikely that any new political entity which results from efficient collective planning will resemble the federations of the past.

WESTERN UNION

—THE ECONOMIC ASPECT

by G. D. H. Cole

Those who speak in favour of the advantages of unity in Western Europe, economic as well as political, usually lay much stress on the analogy with the United States. The federalists point to the success of the ' forty-ninth State ' in giving the American people an immense home market free from tariffs or other impediments to trade and in making thus possible the vast strides in mass-production that have been achieved. If only Europe . . . if even Western Europe . . . if the ' Marshall countries ' would follow the American example, what beneficent developments, they ask, would not speedily follow ?

This analogy makes one thing at any rate clear. Even the most extreme federalists do not want to cut Europe, or Western Europe, off from trade with the rest of the world, any more than the American Constitution has cut off the United States. They do, however, in most cases contemplate that a federated Europe would, like the United States, tend to be less dependent on supplies from outside, and therefore on export trade, than are the separate Sovereign States into which Europe is at present divided up.

This means not only that, with all the barriers down, much trade that is now ' foreign ' would become ' internal ' if all Western Europe were counted, like the United States or the Soviet Union, as one country, but also that the West European region, behind a common tariff frontier and with a common monetary system and at any rate some amount of concerted planning, would produce a higher proportion of its requirements at home and draw a smaller proportion (not necessarily a smaller absolute amount) from other areas. It does not, however, mean that Europe—much less that Western Europe—could, or should, aim at self-sufficiency ; for to do so, even where it could be done, would plainly mean abandoning the advantage of drawing supplies of foodstuffs and materials from other areas in exchange for manufactured products and for such services as shipping.

I have put this general consideration in the foreground in order to make it clear at the outset that plans for European, or for West European, economic unity have nothing to do with *autarkie*. Evidently, Western Europe alone will need to be more dependent on external trade than a wider grouping including the peasant countries of Eastern Europe would need to be. But that is not the point : the aim is not *autarkie*, but higher efficiency in using the combined resources of the economically united area, based on a larger home market and also, one hopes, on greater freedom of movement from one European country to another.

It must, however, be one of the purposes of a West European, or of any European, economic group to reduce its dependence on supplies from dollar areas, not out of any wish to discriminate against them, but because, and for as long as, they remain inaccessible as markets to a sufficient reverse flow of goods. In practice, this means indefinitely ; for there is no prospect whatever of the dollar countries, especially the United States, becoming consumers of European goods on a sufficient scale to balance the proportion of supplies for which the European countries at present depend upon them. This remains true even if one throws in the results of triangular or multilateral trade in such products as tin and rubber from the colonies or economic ' relatives ' of the European States. No doubt, in theory any amount of unbalance could be corrected by a sufficient flow of American long-term investment to Europe ; but this, even if it could happen, would be highly undesirable, as it would tend to convert Europe, or much of it, into an economic ' colony ' of the United States.

Less dependence on dollar supplies, then, is involved in the notion of European, or of West European, economic union. This is partly a matter of increasing agricultural output. If there can be close trading relations between Western and Eastern Europe, a large part of this increase can be looked for from the Eastern area : the less Western and Eastern Europe trade with each other, the more agricultural production will have to be increased in the West, even at rising costs, and therefore the lower the West European standards of living will be. No less will an economic ' iron curtain ' lower standards in Eastern Europe ; for, at any rate for some time to come, the Soviet Union will be a market chiefly for industrial goods from these countries, and their prosperity will depend on their ability to combine industrial development, based on this demand, with the sale of agricultural products to the West. From the Soviet Union they will get chiefly raw materials ; from the West they will need capital equipment and consumers' goods which they do not produce at home. These points are brought out very clearly in the valuable report recently published by the U N O European Economic Commission.

It is therefore a great mistake to envisage any plans for West European economic union as means of doing without trade between Eastern and Western Europe. It may be necessary for the Western countries to make special arrangements to develop primary production, especially of fats, in their colonial dependencies, and to continue on a wider basis the trade relations that have existed between Great Britain and the Dominions for the exchange of primary products for manufactures—especially capital goods. But it will be a great misfortune if such measures have to replace, rather than supplement, the exchanges between the mainly industrial and the mainly agricultural areas of Europe itself.

In such exchanges, Germany plainly occupies a key position ; for Germany was, before 1939, the principal practical exponent of this type of exchange. I will not say that Western Europe without Germany does not make sense as an economic unit ; for, even so truncated, it makes more sense than disunited as it now is. But it is evident that,

if Germany were transferred to the sphere of Eastern Europe, a large part of the basis for trade between East and the truncated West would be knocked away, and the Western rump could avoid becoming a pensioner of the United States only by pushing home agricultural production, colonial development, and special arrangements with the British Dominions and some other non-European countries much further than it would otherwise need to do.

I have no space, in this brief article, to put what I am saying into terms of the actual statistics of European production and trade ; and there is the less need to do this because Mr. R. W. G. Mackay has conveniently summarised many of the essential figures in his recent book, *Britain in Wonderland* (Gollancz, 4/6). The figures show clearly enough that even in face of the Economic Nationalism of the inter-war years trade between European countries was more important than their trade with the rest of the world, and that there was ample room for developing it, by throwing down barriers and lowering costs by production for a wider market. This is true both of the trade between East and West and of that between the Western countries.

In the light of these facts, what is the right policy for Europe as a whole, for Western Europe in particular, and for Great Britain most particularly of all ? For Europe as a whole, in face of the present impracticability of any sort of union, clearly the right policy is to make arrangements for as many exchanges as possible between the East and the West, and with this in view to maintain and strengthen the U N O European Economic Commission, which is the only body able to envisage the economic problems of all Europe, irrespective of political differences. For Western Europe in particular, the essential thing is to get together, not only in order to reduce, and presently to eliminate, tariffs, embargoes, and monetary barriers, but also to plan in common for both home and colonial economic development and for the making of combined bulk purchase and exchange arrangements with primary producing countries outside its area. For Great Britain, the essential thing is to take the lead in promoting these measures for Western Europe, and to find ways of reconciling them with the special links that bind together Great Britain and the self-governing Dominions.

On this last point, important though it is, I am not free to enlarge in this article, because it is being dealt with by another contributor. I must, however, say one or two things about it. In the first place, none of the Dominions is likely to agree to enter into a West European Union involving the abolition of customs barriers, even by stages. This can be ruled out, in view of their determination to develop their own manufacturing industries. Secondly, Canada, in particular, cannot cut itself off from the dollar area, or become a market for European goods on a scale anything like sufficient to balance the present flow of Canadian foodstuffs to Great Britain. Thirdly, Great Britain cannot secede from the British Commonwealth in order to join a West European Federation, and could not, even if the balance of both political and economic advantage lay that way. It should, however, be fully possible to adapt to Western Europe as a whole the exchanges between primary and manufactured

products that have made up the main part of the trade between Great Britain and the Dominions—though not without facing the same problem of dollar-payments as already besets British trade relations with Canada. And it should be possible to arrange for tariff-free entry of foodstuffs into Western Europe, combined if need be with tariff-preferences for West European goods in the Dominions, by establishing combined West European purchasing agencies to make the necessary purchases in the Dominions and to hold stocks and re-sell to the European countries needing supplies.

Side by side with this, what mechanisms ought Western Europe to use for regulating its own production and its trade with the rest of the world? *First*, a common currency, not tied to the dollar or fettered by the rules laid down at Bretton Woods. *Secondly*, denunciation by agreement of the I T O Charter, before its restrictive conditions have time to come into force. (The Charter is doing no harm now, only because it is not in force, and has been drafted to allow of so many temporary exceptions as for the time being to make it virtually inoperative. Its clauses, if in force, would be quite inconsistent with the development of West European economic unity, especially in its transitional stages.) *Thirdly*, an agreement to begin at once drastically reducing internal tariffs and at the same time formulating an approach to a common tariff applying to external trade. (I here include quotas and other similar measures with tariffs. I hold that quotas are in many cases greatly preferable to tariffs, and am strongly opposed to their outlawry, except where they happen to suit the Americans, in the I T O Charter.) The reduction of internal tariffs is, of course, meant to lead as speedily as possible to a full Customs Union ; but nothing should be done to prevent smaller groups of countries from advancing to this goal ahead of the West European area as a whole. *Fourthly*, following upon the estimates already made in connection with the Marshall Plan, an attempt to work out, for specific branches of production, an agreed West European programme designed to allow particular countries to specialise in particular products with a full assurance of a wide enough market to allow costs to be brought down ; and therewith, a formulation of an agreed allocation of scarce materials, such as coal and steel, as well as of foodstuffs. With this might go also an agreed plan for the allocation, as well as for the production, of certain key types of capital goods, including machine tools and transport and power equipment. *Fifthly*, an agreement, or agreements, to facilitate labour migration from areas of abundant to areas of scarce man-power—especially from Italy to France and to Great Britain—the immigrants to acquire full civic rights and a full claim to social services in the receiving country. *Sixthly*, the establishment, besides an inter-governmental planning control commission, of an international export West European planning body, made up not of national delegations, but of independent members with a West European loyalty. *Seventhly*, the creation of a West European Economic Council, or Parliament or Commission, made up of delegations from the national Parliaments, to debate and amend the measures proposed by the inter-governmental commission, and to become, perhaps, the forerunner of a West European Parliament. This last is essential, if West European planning is not to

be removed from democratic control and is to be more than a treaty-relation between independent Sovereign States.

This brings me to the question of Germany. For the present, there is evidently nothing possible but to treat Western Germany as belonging economically with the West, and Eastern Germany as belonging with the East. This is not the West's fault, or to the West's liking ; but it is a plain matter of fact. Now, the advocates of immediate *political* federation in Western Germany are involved by this fact in the very great difficulty that they have to advocate making the political split in Germany definitive, or else to leave all Germany outside their proposed Federal State. Either course would be, to say the least, extremely unfortunate. If, however, what is proposed for Western Europe is not, at this stage, a political federation, but only a very close economic union (Zollverein +, not *Reich*), this difficulty does not arise in the same form, or to anything like the same extent. Western Germany can be brought in, as an economic unit, through its own economic administration, without the need for a full separate West German Government.

This, I know, is only one aspect of the German difficulty. The other aspect is the very real fear of German economic revival that exists among the peoples of Western as well as of Eastern Europe. This fear is so deeply rooted as to be stronger in many quarters than the sense of the economic advantages to be derived from a resumption of German trade and production ; and it is reinforced both by the desire of other countries to supplant German industries by developing their own and by the feeling that it would be wrong for the Germans to receive help in restoring their industries as long as restoration in the areas which they laid waste is still incomplete. There are also fears of a revived Western Germany becoming an economic 'colony' of United States capitalism, to the detriment of the development of industry in other parts of Western Europe.

All this together constitutes a formidable problem, and one which has to be solved if the obstacles to Western European collaboration are to be cleared away. The solution, it seems, must lie in beginning with the question of Ruhr coal and Ruhr steel, and ensuring that increased production of these shall be accompanied by agreed measures of allocation to other European countries and by control of the finishing industries based on crude steel designed to prevent the creation of an industrial complex that might endanger the peace of Europe. This involves international control of the heavy engineering and chemical industries of Western Germany, and of the imports into Germany of non-ferrous metals. It seems evident that there will have to be some sort of International Commission to supervise, under the instructions of the West European Economic Union, the whole complex of heavy industries in the Ruhr ; but it is no less clear that the German economic 'government' ought to be represented as an equal partner on this Commission. Of course, one great problem in connection with all this is that of the ownership of the Ruhr mines and steel works. It is out of the question either to hand these back to German private enterprise, tainted as it is with Nazism, or to allow them to pass virtually into American ownership,

either by open purchase or by holding through German nominees. There is really no alternative to public ownership ; and for the present the only appropriate legal owner would seem to be the proposed International Commission itself, as trustee for the German people, either exclusively in the long run, or, perhaps, in conjunction with other peoples of the West organised in a supra-national State capable of owning and developing its vital industries on a basis, not of nationalisation, but of federal supra-nationalisation. That, however, is looking ahead much further than this article is meant to look.

It is possible that, even before these words are published, some part of what I have written will need revision because of further developments in the German situation. Should the Western Governments decide, in view of the deadlock with the Russians, to proclaim a German political Government (I hope, if they do, they will proclaim it as meant for all Germany and not for the Western Zones only), some things that I have said will need re-stating ; but my points will be but little affected. I do not want the Western Powers to set up a German Government yet, because I do not want to see anything done that will make accommodation with the Russians even more difficult than it is bound to be. But, if they do, it will remain necessary to make much the same arrangements for the control of German industry and of the Ruhr as if they do not ; and my belief that the right line of immediate advance towards closer West European union is economic rather than constitutional will remain unaffected.

While I take this attitude, I wish as strongly as I can to emphasise that reliance on economic measures involves that these measures shall be far-reaching and backed by the full weight of the British Government. The danger, I recognise, is that the rejection of immediate constitutional in favour of economic integration may be used as an excuse for doing nothing except by halves. There is even the danger that the arrival of Marshall Aid may be used, as the United States Loan was used in 1946, to stave off decision, though it should have been plain, and should be plain now, that American help can provide no more than a respite, and that measures designed to bring real remedies are bound to take a considerable time to produce substantial effects. Such policies as colonial development and the planned reorientation of West European industries to meet the demands of a combined free market necessarily take a considerable period to execute even after they have been planned ; and the planning is also bound to be a difficult and lengthy affair. There is accordingly every reason for making a really decisive start, over the widest possible field, at the earliest possible moment, so as to have different groups of experts working simultaneously on the various parts of the plan while the essential controlling machinery for the whole is being devised and set up. It would be much better to attempt too much than too little ; and, though I do not favour an attempt to set up a constitutional political Federation of Western Europe here and now, I would very much sooner see that than see the real issues burked by the taking of merely half-hearted measures in the economic sphere.

WESTERN UNION
—THE IMPERIAL ASPECT

by Rita Hinden

What is the 'imperial aspect' of Western Union? For British people two clearly-cut problems immediately suggest themselves. There is, firstly, the question of planning colonial production jointly with the other Colonial Powers of Western Europe. The purpose, here, is to develop, with the utmost efficiency, supplies of raw materials and foodstuffs which are independent of the dollar areas, and to be relied on in all emergencies. The second question is of a different character—how can this country harmonise its special relations with the Dominions with the new commitments which an integration within Western Europe would involve?

The first of these problems might be seen as a technical matter only—a problem of social engineering. If the Colonies were really our possessions to do with as we will, then indeed technical considerations would be almost all that mattered. Let us look at it, for a moment, on this level. There is no doubt at all that, if the right techniques could be applied, the Colonies would offer immense possibilities of development. There are potential resources—many of great value—which have barely even been surveyed. Methods of production are backward, and could be modernised so as to multiply the produce of the soil. Precious timber resources abound in certain areas, and remain untapped. Scarcely a beginning has been made in developing power supplies, and with power there are prospects of a whole range of new industries. Dairying, fishing and the meat industry are all said to be capable of dramatic expansion. On all these possibilities, work is now being done. The Colonial Office has research committees on all subjects; it has surveys everywhere on hand; and technical commissions are constantly being sent to inquire into specific possibilities. Furthermore, consultation with the other Colonial Powers on a host of relevant problems has already begun. In February, for example, an Anglo-French Colonial Conference discussed action regarding marketing policy, communications, inter-colonial trade, and colonial development. In the same month an Anglo-French-Belgian Labour Conference was held in Nigeria, which dealt with problems arising out of the organisation of labour in Africa. There have also been conferences (attended by the Portuguese), on sleeping sickness, forestry and control of plant diseases; and inter-territorial conferences have taken place on medical matters, tele-communications, etc. An impressive network of joint consultation has already been woven, drawing together all the Powers with administrative responsibilities in Africa, and also in the West Indies.

But in all these discussions and investigations, the planners soon knock their heads against the stone wall of the basic technical limitations on colonial development. These are shortages of equipment—machinery, rails, locomotives, tools ; and the shortage of skilled manpower —not only engineers and other experts, but skilled workmen, artisans and drivers. These shortages are of a most serious nature. In Britain a tug-o'-war develops around the allocation of every ton of steel—shall it be for export so as to buy food ? shall it be for re-equipping the home industry ? shall it be for houses and schools ? or shall it be for colonial development ? If the equipment and man power which is in such short supply is to be allocated to colonial development, a reasonably quick return in the form of goods is expected. But unfortunately there are few colonial crops which have a short period of production—some take 5-7 years from the date of planting—and even if this were not so, there is so much preliminary work to be done in preparing the land, providing the machinery, and training the labour, that rapid returns are impossible.

For these reasons it would be unrealistic to expect too much from colonial development in the short run. The Colonies could offer no alternative to trade with the primary producing countries of Eastern Europe, and to some degree of dependence on dollar areas. To think of a Western Union which aspires to be self-supporting with the aid of colonial produce in the near future, is to live in a fool's paradise ! At least ten years must elapse before impressive results can be shown from even the most energetic development and the most liberal capital investment.

If we were Tories there would be nothing further to say about this—we would accept the desirability of a joint planning of colonial development without pinning any immediate hopes on its results. But, as Socialists, we cannot regard the Colonies as mere appendages for us to develop according to our own whims and needs. We must grapple with the question of how to combine development with the advance to self-government, to which we are committed in our own Colonies. We must confront the difficulties of securing the cooperation of the Colonies in growing the products we want—they have behind them a history of distrust against concentrating their production on primary products alone. And we are only at the beginning of evolving techniques of consultation with the colonial peoples in order to win their cooperation. All these difficulties become more complicated than ever as soon as we enter joint planning arrangements with the other Powers. Their political and economic approach to colonial questions i often vastly different from our own. Political advance has been slower within most other Colonies than in the British ; labour organisation is less advanced ; and means of consultation even less evolved than with us.

The political questions are of the most far-reaching importance because the colonial people are not in any way interested in Western Union, and in our need to find economic and political salvation by these means. In this country, many do understand the importance of unity and are prepared to make efforts, even sacrifices, for this end. But this could hardly be expected of simple people—and even of the less

simple—in far-off Africa. They already begin to feel, with no little resentment, that in Europe's need, a new plan to 'exploit' Africa is being launched. They hear of schemes for doing this and that in their countries, and they are not consulted. Their suspicions are already mounting, and if they become unco-operative, all planning will be unavailing, because it is on their manpower that every project is utterly dependent.

To prevent non-cooperation an extremely political approach is needed on the colonial side. It might be outlined under three heads :—

(*a*) If a Charter of Political Rights is to be written into the framework of Western Union—as suggested by Mr. Attlee—these political rights must be made specifically to apply to the Colonies. It may not be possible for them all to become independent tomorrow and enjoy the complete political privileges they would like, but it does mean that we must drop our attitude of imperialist domination. Our administration remains 'imperialist', and therefore resented, as long as it is something imposed without consent no matter how paternal the intention. Imposition must be replaced by consultation and the deliberate winning of consent and co-operation. This is not the place to elaborate how this should be done—but it is impossible to overstress the importance of a new approach, on the basis of equal partnership, towards the colonial peoples.

(*b*) From the British point of view we must understand that whatever we do in our own Colonies, we will still be accused of hypocrisy if we collaborate with other Colonial Powers who continue in their old imperialist way. It will fall to us to ensure that the new attitude of partnership and consultation should be adopted by all the Western Powers. Here we have a magnificent opportunity to lead the way away from the old and hated colonial system.

(*c*) In the working out of the development schemes scrupulous regard should be paid to a fair deal for the colonial peoples. It is essential that they themselves be represented in the machinery of the schemes, and also that Socialist opinion at home should be 'eternally vigilant' in their implementation. There should, for example, be joint marketing arrangements assuring the same fair prices to producers in all Colonies ; facilities for workers' organisation, labour conditions and so on should correspond in the different areas ; and similar relations between the racial groups working on the schemes should everywhere be striven for.

If a political approach of this nature could be infused into the colonial development planning of a Western Union, giant strides might be taken, not only in raising standards of life in the Colonies, and, incidentally, raising our own—but also in solving a good deal of 'the Colonial problem' as such. Perhaps this alone might be considered a worthy justification for proceeding with Western Unity !

Let us revert now to our second problem—that of the Dominions. Here quite a different set of considerations arise. The Dominions cannot be brought in against their will, as the Colonies might—they must be wooed and won by the advantages of the schemes. This puts Britain in a very different position from France, Holland and Belgium—she

must carry the Dominions with her by goodwill and take account of their reactions to her every step.

There is no question of the Dominions themselves entering into the Union, but they are naturally deeply concerned as to how Britain's new commitments in Europe are likely to influence Commonwealth affairs. At the moment, Dominion opinion has not crystallized ; in each Dominion the matter is seen differently and there are certainly a number of misgivings. The Dominions, we should never forget, have a traditional dislike of firm commitments, which spring from the peculiar nature of the evolution of the Commonwealth. They react nervously to any news of Britain entering into new firm commitments in Europe. Yet on economic grounds there may be no disadvantages to them—in fact there may be a positive advantage in having the organised markets of the whole of Western Europe to trade with. Nor need this necessarily involve the loss of imperial preference—at least until there is a complete Customs Union in Western Europe, which is still a remote Utopia. It is possible, too, that on political and strategic grounds, they may see advantage in the new developments. Each Dominion will undoubtedly have to engage in its own complicated process of weighing-up the pros and cons. What this means for Britain is a certain delicacy in going forward, as it would be a tragedy if a rift developed within Commonwealth, and if integration with Western Europe were secured only at the expense of disintegration on the imperial side.

Similarly the attitude of the new Asiatic Dominions has not been defined. But there, our handling of Colonial policy may well prove a decisive factor. They will be more than hesitant about association with an ' imperialist ' Western Europe. But a European Unity which was based on the liberation of Colonial peoples and their raising to new standards of prosperity might easily secure their enthusiasm and support. This is no minor matter ; it may indeed be one of the keys to the success of any scheme. Yet it has barely been mentioned in all the talks of the new European Unity !

Looking at it from the Imperial angle, therefore, Western Union might be seen as an adventure in economic planning, or as an extraordinary, historic opportunity for ending the old evils of the colonial system—poverty, neglect and political subjugation—with the eventual elimination of ' colonialism ' itself. If we make the mistake of focussing on economic planning alone, we will bemuse ourselves with statistical tables, and lose sight of that decisive factor in the situation—the *political attitudes* of the colonial peoples, and of the new Asiatic Dominions. Further, in our desire to secure as favourable a statistical result as possible, we will unwittingly find ourselves ranged with the Tories, the Joseph Chamberlain Imperialists, and the hard-faced business-men, who in their determination to wring every ounce of produce out of our ' neglected estates ' (Joseph Chamberlain's description of Africa in 1870 !) will be prepared to clamp down an ever more ruthless imperialism on the peoples of the Colonies, to coerce their labour, to withold their political development and stamp on their liberties. Lest anyone should think this a childish bogy, let him ponder these words of Colonel Ponsonby, a Tory M.P.

and chairman of the Joint East Africa Board in a letter to the *Times* of March 31 :—

> Up to a year or two ago the policy was ' Africa for the Africans ', which implied indirect rule and a consequent stagnation in progress, as has been emphasised lately by the Governor of Uganda. Now the opposite course is being pursued. In order to increase the world production of raw materials, the word has gone out, ' Full speed ahead ', which means that the native African gradually must continue to come less and less under the rule of the chief and more and more to be part of an active European organisation whether agricultural or industrial. In order to carry out the new policy, tribal habits and customs have had to go by the board. This is probably the best for the African in the long run, but the Government must say so quite frankly and not wrap it up in pious hopes about the Africans taking over the management of or becoming the owners of great enterprises. The ' New Deal ' does mean an alteration in the ' Old Policy '. It must be made clear to the Africans of Northern Rhodesia and similar countries that it will be several generations before they will have sufficient experience honestly and capably to take a real part in great enterprises or in the administration of the country, and that in these days no one is fit to govern who desires power without responsibility.

The economic planning must of course be done, but it would be wiser for Socialists to leave the details of this to Government Departments, and put their energies, instead, into seizing the political opportunities which Western Union offers for writing ' paid ' to the abuses of the colonial system. It is a very real opportunity, and we could be sure of carrying with us in this task, an enthusiastic Asia, and an appreciative America—North and South. There is a fundamental choice before us, between two antagonistic imperial policies. We should at least be absolutely clear, in our own minds, of the implications of each.

Book Reviews

OUR PARTNERSHIP By Beatrice Webb. Edited by Barbara Drake and Margaret I. Cole. (Longmans 25/–)

Our Partnership is a most satisfying successor to *My Apprenticeship*. The earlier work was a wonderful guide to the age of Herbert Spencer. It is widely known now as the classic picture of the mental and social habit of the dominant Victorian upper-middle class, serious-minded, rooted in and obsessed by property-relationships, conventional to the point of social myopia and imperturbable. Beatrice Webb learnt to be sceptical both of the social values and the economic and political arrangements of that class. She lost interest early in Vanity, its occupational disease, and discovered the excitement and constructive power of research—not of research for its own sake (whatever that may mean) but of research as the means to the end of new forms of collective association and action. She had the strength of personality to marry outside her class. Her husband was an outsider, a nonentity, albeit an unusual one. Their intrepid marriage brought new strength, personal and intellectual, social and public, to the discussion and management of the economic and political problems of the rapidly dissolving Victorian age. The first two decades of the Webbs' married life are narrated from Beatrice Webb's diaries in this most illuminating volume, which is the most important contribution to late Victorian history since Halévy's epilogue. Here is happiness and creation, described with candour and insight, with tolerance, self-criticism and an astonishing absence of self-importance, that will give it a high place among the great political diaries of our history. Edwardians and Georgians with no first-hand memory of the years 1892 to 1911 which are covered in this volume, and especially those who have been rendered a bit costive by Morley's *Gladstone* and its successors, will find *Our Partnership* a first-class aperient. The new values of the twentieth century are being made, page by page, as the origins of our time are probed. It is a rare experience to get the present in the past and the past in the present simultaneously lit up. That is Beatrice Webb's and Sidney's, peculiar power and this work's outstanding claim upon us.

The major historical events and processes with which it is concerned are the remaking of London government and education, the new definition of the scope of the social services through the disintegration (completed this year) of the old Poor Law, and the devising of the new political instrument of organised labour which was to become the Labour Party. The political kaleidoscope shifts from page to page in this connected selection from Beatrice Webb's day-to-day diaries, but there was no confusion about the aims and direction of the Webb's studies and pressures. Thought and action were never divided, and the Webbs were never wirepullers for personal ends. Hence this astounding chronicle of successful pressures and friendships. Arthur Balfour and Haldane, Tom Mann and Alfred Harmsworth, Bishops and Civil Servants and Peers Temporal, and Scholars and Authors . . . . all were used. The main creations by the Webbs are well enough known to their fellow-Fabians. But how on earth was it all done? Here is the answer to that important question. And what a gift Beatrice Webb had for describing persons and events, values and dogmas! Read her analysis of Sidney Webb, G. B. S., John Burns, H. G. Wells, Lord Haldane . . . . her dissection of herself and her own mystical leanings to prayer, a church and a divinity, ... her sharp analysis of the insincerities of the Royal Commission on Labour (1893), of the longueurs of the Poor Law inquiry. But this is not a book of purple patches. Read anywhere and you have history in the actual making. History and historiography, richly joined, the appropriate fruit of a great union.

H. L. Beales.

THE SHOPS OF BRITAIN By Hermann Levy (Kegan Paul 21/–)

Professor Levy here presents us with a comprehensive, authoritative and up-to-date study of retail distribution in this country. To some extent this work

may be considered as a sequel to the report prepared by the same author for the Fabian Society, and published in 1944, entitled *Retail Trade Associations*. Taking as his starting-point the multiplicity of retail outlets, Professor Levy analyses the reasons for their existence by reference to several trades. Consideration of prices, margins and the effects of competition serves as a preliminary to an absorbing discussion of the methods by which distribution costs may be reduced. Broadly, there are two ways "to improve the mechanism of distribution with a view to reducing costs . . . . One is the method of restriction; it aims at reducing or stabilising the number of retail outlets in order to effect economies by centralisation or amalgamation. The other method starts from the assumption that over-retailing is not the cause but the effect of mal-organisation, and aims at remedying this mal-organisation and devising the means of rationalising the various functions of retailing where this appears possible."

After a reasoned rejection of the method of restriction whether by licensing or limitation of price competition through resale price maintenance, Professor Levy turns to consider the "more modest-looking possibilities of achieving greater economies in shopkeeping". Better organisation of processing, the elimination of certain "productive" functions performed by retailers, the expansion of open-air markets and the co-operative or municipal distribution of coal and milk which have "outgrown the necessity for individual private enterprise" are all discussed at length. Expansion of direct trading between manufacturer and retailer in the case of the more standardised articles might yield substantial economies in his opinion, while intermediary expenses might also be reduced by co-operative buying by retailers.

This is a book well-worth reading by every student of distribution. It clearly explains the present organisation of retail trade and leaves the reader in no doubt of the problems to be solved.

R. W. E.

A FOREIGN POLICY FOR THE UNITED STATES Ed Quincy Wright (University of Chicago Press: Cambridge University Press 25/–)

It is now almost two years since the distinguished contributors to this volume set forth their views on American foreign policy under the auspices of the Norman Wait Harris Memorial Foundation. They discuss in 15 chapters the relations between the U S and the U K, the U S S R, the U N, Eastern Europe, Near and Far East, Latin America, World Trade, Informational Policies and the Atom Bomb. Each contribution is an essay on some particular political or economic problem. The 392 pages do not add up to a Foreign Policy *for* the United States, nor, it must be said, do they throw very much light on the foreign policy *of* the United States.

We live from day to day in foreign affairs. A volume written in July 1946 by various authors, is unlikely to be an adequate basis for understanding present, and estimating future, trends. Only the boldest and most general prognostication can hope to stand up to the test of fast-moving events. In this regard the contribution on the Near East by John A. Wilson of the University of Chicago is the most valuable. Here the reader comes nearest to an understanding of the dilemma of American Foreign Policy. "Now it is clear that we have the most definite interest in the oil of the Persian Gulf. Now it is clear that the strategic concerns of any great power extend all over the globe. We can no longer enjoy the reputation of being the great democracy which had no expansionist ambition and could therefore be the champion of small peoples . . . . We are in the position of urging Great Britain insistently to do her duty, of aiding in establishing what that duty may be, and then of withdrawing loftily and leaving her to undertake the unpleasant task of carrying out that duty. Our idealism must appear as officious or hypocritical unless we follow up our initiative and assist in establishing a new order in Palestine." These are the facts of life. They govern the tranquillity of the Middle East, the fate of Zionism, and the political future of President Truman.

R. H. P.

EDUCATION: THE NEW HORIZON By Harold C. Shearman (Nicholson & Watson 6/–)

The book begins with a fascinating story of educational progress in this country. Compared with many foreign states, we started late in the race. When Whitbread's Education Bill of 1807 was under discussion, the writer tells us, no less a personage than the then President of the Royal Society, Davies Gidding, could argue that to extend education to the labouring classes " would, in effect, be prejudicial to their morals and happiness . . . . teach them to despise their lot in life, ... make them fractious and refractory and enable them to read seditious pamphlets ". Not until the 'seventies was a state system of compulsory elementary education belatedly created and then in the old tradition " to be suited to the needs of workmen and servants ". It was the Education Act, 1902 (in those days of Fabian permeation of the Tory and Liberal Party in office to be known as " Webb Act ") which first gave power to local education authorities to provide secondary education and to develop the scholarship ladder that enabled the able pupil to climb from the elementary to the secondary or ' Grammar ' school, and so on to a university. But the broad highway of secondary education for all had to wait for the Education Act, 1944. In the prestige of the independent ' public school ', in the concessions made to the ' direct grant ' school, in the conflict between those who advocate the comprehensive secondary school and those who prefer to select pupils of the secondary stage for different types of education in different types of school, may still be found the defects of the old social or class divisions. Not least attractive are the well-chosen illustrations comparing the old with the new.

B. D.

THE BUILDING INDUSTRY By Harry Barham (St. Botolph 5/–)

In this unpretentious book of one hundred pages, Harry Barham argues a convincing case for socialisation of the building industry. He does more; he suggests a new structure for the industry designed to remove its basic defects. Both the need for large-scale organisation and the attainment of industrial democracy in the industry, makes a National Building Service essential.

The author suggests that the base unit of this Service, the Local Building Organisation, should comprise the whole of the building plant and personnel in any town or district. This Organisation should be governed by the whole of the building workers in its area, and should be linked by districts and regions with the National Building Council. The Government and Local Authorities should be represented on this Council, but the rest of its members should be appointed from the industry itself. Not the least important chapter in the book deals with the problems of the transition stage, and the questions of the small builder, material supplies and incentives are also discussed.

R. W. E.

TALKING OF FILMS By R. J. Minney (Home & Van Thal 6/–)

A brief account of the film business, from a feature film producer's angle. Readable, but superficial. There is no real appreciation of the social rôle of the film in contemporary life.

The book's most useful contribution is to show the crazy nature of film finance. Production costs have soared; extravagance, waste, inefficiency have gone unchecked. The present crisis in British production is the result. Every big film executive should take the lesson of *Talking of Films* to heart. But will they?

S. R.

TWO PAMPHLETS

BRITISH TRADE UNIONISM By Allan Flanders (By post from the Bureau of Current Affairs 2/–)

A short, straightforward and comprehensive account, covering the growth, tradition, organisation, activities and policy of the Trade Union Movement in this country. A very good primer for those wishing to begin to study the movement, and a good refresher for those who have been Trade Unionists for many years.

THE SOCIAL SCIENCES: A case for their greater use (Association of Scientific Workers 1/6)

Starting from the suspicion that the Clapham Report under-estimated the urgency of the need to develop the social sciences, this pamphlet states the case for bolder measures. That such measures are needed cannot be denied, and this contribution to the struggle to obtain them is to be welcomed.

J. L. J.